

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2419 – SB 2176

February 15, 2016

SUMMARY OF ORIGINAL BILL: Authorizes the Comptroller of the Treasury (Comptroller) to authorize local governments to prepare a biennial budget rather than an annual budget if the Comptroller determines the local government has sufficient financial resources to more than adequately service its issued debt.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (012324): Deletes all language after the enacting clause. Authorizes local governments to prepare a biennial budget rather than an annual budget if the Comptroller determines the local government has sufficient financial resources to more than adequately service its issued debt.

Authorizes the Comptroller to revoke the authority of a municipality to submit a biennial budget at its discretion at any time for any reason. A municipality who is authorized by the Comptroller to submit a biennial budget, but that uses short-term financing to meet operating expenses that will not be paid off in the current fiscal year, will have its authority to submit a biennial budget automatically revoked.

Requires a municipality operating under a biennial budget to submit any budget amendments adopted by the municipality and any required reports to the Comptroller. Clarifies the term "biennial budget" to mean the adoption of two annual budgets every two years.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

HB 2419 – SB 2176

Assumptions for the bill as amended:

- Based on information provided by local government sources, any impact on local expenditures related to preparing a biennial budget rather than an annual budget will be not significant.
- Any impact to the Comptroller's Office is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj